



The Public Utilities Commission of Ohio

George V. Voinovich, Governor

Craig A. Glazer, Chairman

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September 13, 1994

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SEP 14 1994

Office of the Secretary
Federal Communications Commission
1919 M Street, NW
Washington, D.C. 20554

FCC MAIL ROOM

RE: CC Docket No. 92-77, In the Matter of Billed Party
Preference for 0+ InterLATA Calls

Dear Sir:

Enclosed for filing please find the original and nine
copies of the Reply Comments of the Public Utilities
Commission of Ohio in reference to the above-captioned
proceeding.

Also enclosed is a duplicate copy of this letter and
Comments. Please date stamp this copy as acknowledgment of
receipt of this transmittal and return it.

Sincerely,

Victor P. Gallina
Chief, Planning Section
Telecommunications Division

Enclosures

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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

FCC MAIL ROOM

In the Matter of
Billed Party Preference
for 0+ InterLATA Calls

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CC Docket No. 92-77

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REPLY COMMENTS
OF THE
PUBLIC UTILITIES COMMISSION OF OHIO

BACKGROUND

On June 6, 1994, the Federal Communications Commission (FCC) released a Further Notice of Proposed Rulemaking (FNOPR) to consider further the implementation of "billed party preference" (BPP) for 0+ interLATA payphone traffic and other similar operator assisted traffic occurring at aggregator locations (e.g. hotels and motels). BPP would require that such traffic would be automatically carried by the operator service provider (OSP) preselected by the party being billed for the call. For example, a credit or calling card call would be routed to and billed by the cardholder's preferred OSP. A collect call would be routed to the OSP to whom the person being called had subscribed. Likewise, a third party call would be routed to the OSP to which the third party had presubscribed.

In its FNOPR the FCC tentatively concludes that its initial

review of the evidence in the record indicates that BPP would serve the public interest. Specifically, the FCC tentatively concludes that the benefits of BPP are significant and outweigh its costs.

DISCUSSION

Billed Party Preference is Reasonable in Concept

The Public Utilities Commission of Ohio (PUCO) endorses the comments of the National Association of Regulatory Utility Commissioners (NARUC) supporting in principle the concept of BPP. Like NARUC, the PUCO also believes that the costs of BPP implementation, ongoing maintenance, and administration must be carefully weighed by the FCC before further action is taken. As a result, the FCC must thoroughly examine the updated record in this matter, including critiques of BPP's costs and benefits to assure that it fully supports implementation prior to taking any further action.

In the event the FCC concludes that BPP can be provided economically, the PUCO supports the FCC's initial conclusions adopted in the FNOPR that BPP would facilitate access to the telephone network by simplifying calling card, collect, and third number billed calling. The PUCO also agrees with the FCC that BPP would cause OSPs to refocus their competitive energies on serving end users rather than paying commissions for O+ traffic to property owners at aggregator locations.

The Breadth of Coverage

(1) O+ and O- InterLATA calls

In the event the FCC determines that BPP should be implemented on a national basis, the PUCO recommends, as did a vast majority of other state public utility commissions filing comments previously in this docket, that (with the exception identified below) BPP should apply to both O- and O+ interLATA traffic. The PUCO strongly believes, however, that the decision must rest with the individual states as to whether or not BPP should be implemented on an intraLATA basis. The PUCO views local and intraLATA services to be strictly intrastate in nature; therefore, these services should not be subject to the jurisdiction of the FCC. Moreover, as discussed in more detail later, the PUCO has already established minimum telephone standards, alternative operator rules, etc. associated with the provision of local and intraLATA service that the FCC's final BPP rules might conflict with or disturb.

(2) Inmate Facilities

Likewise, the PUCO maintains that it should be left to the discretion of the individual states to determine whether or not BPP should be required for inmate calling at correctional facilities; or in the alternative, the PUCO submits that the FCC should exempt BPP for inmate calling at correctional facilities. In Ohio, the parameters associated with inmate calling are unique

and are not compatible with a BPP calling environment. Specifically, calls placed from Ohio's state correctional facilities must be made on a collect call basis, and many of these collect calls must further be prepaid in advance by the person who is receiving the call. This prepaid collect policy was adopted by the Ohio Department of Corrections to curb the extensive level of fraudulent credit card calling occurring at these institutions by inmates. The PUCO notes that inmates have historically developed methods to circumvent "normal" safeguards intended to prevent fraudulent calling; as a result, special treatment is necessary. Additionally, inmate service providers, at the request of the correctional facilities, will limit certain inmates calls to particular a person (or persons) to lessen the probability of threatening or harassing calls from being placed. Inmates should be absolutely prohibited, for example, from placing calls to their victims. Moreover, many of Ohio's correctional facilities require inmate service providers to place a periodic recording on an inmate's line indicating that the call is being placed by an inmate at a correctional facility. This policy helps to ensure that inmates are not operating fraudulent telemarketing businesses from the correctional facility. All of these safeguards are necessary in a correctional facility environment. If BPP is required of common carriers serving these facilities, the public's interest will not be served as the correctional facilities' ability to limit fraudulent or harassing calling will be severely limited if not removed.

Finally, the PUCO notes that it is concerned that customers are assessed reasonable charges by telecommunications providers operating in the state of Ohio. As a result, the PUCO has placed upper limits or caps on operator service and message toll service (MTS) rates, which may be assessed (on an intrastate basis) to all Ohio's customers (including those in correctional facilities).

CONCLUSION

The PUCO supports in principle the concept of BPP if the FCC determines it can be provided economically on a nationwide basis. The PUCO also believes the BPP should apply to O+ and O- interLATA calls. Individual states should decide as to whether or not BPP should be provided on a intraLATA basis. Likewise, the determination as to whether or not BPP should be available to inmates at state and local correctional facilities should be left to the discretion of the individual states or, alternatively, the FCC should not require the provision of BPP at inmate facilities.

Respectfully Submitted,

The Public Utilities Commission of Ohio

By its Attorneys:

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Dated: September 13, 1994